

BEFORE THE REAL ESTATE COMMISSION  
STATE OF NEVADA

**FILED**

NOV 12 2021

SHARATH CHANDRA, Administrator,  
REAL ESTATE DIVISION, DEPARTMENT  
OF BUSINESS & INDUSTRY,  
STATE OF NEVADA,

Case No. 2021-326

REAL ESTATE COMMISSION  
BY *Surya Patil*

Petitioner,

vs.

YERANUHI ARAKELYAN,

Respondent.

**COMPLAINT AND NOTICE OF HEARING**

The REAL ESTATE DIVISION OF THE DEPARTMENT OF BUSINESS AND INDUSTRY OF THE STATE OF NEVADA ("Division") hereby notifies YERANUHI ARAKELYAN ("RESPONDENT"), of an administrative hearing before the STATE OF NEVADA REAL ESTATE COMMISSION ("Commission"). The hearing will be held pursuant to Chapters 233B and Chapter 645 of the Nevada Revised Statutes ("NRS") and Chapter 645 of the Nevada Administrative Code ("NAC"). The purpose of the hearing is to consider the allegations stated below and to determine if RESPONDENT should be subject to an administrative penalty as set forth in NRS 645.633 and/or NRS 645.630 and/or NRS 622.400, and the discipline to be imposed, if violations of law are proven.

**JURISDICTION**

1. At all relevant times, RESPONDENT was licensed by the Division as a broker and also held a property manager permit from the Division and is therefore subject to the jurisdiction of the Division and the Commission, and the provisions of NRS chapter 645 and NAC chapter 645.

**FACTUAL ALLEGATIONS**

2. At all relevant times, RESPONDENT was licensed by the Division as a broker (B.1001640.CORP) and also held a property manager permit (PM.0165220.BKR) from the Division, both of which are in "active" status.

3. RESPONDENT is the manager of A&E Realty & Property Management LLC, a Nevada limited liability company ("A&E").

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1           4.       RESPONDENT provides property management services through her company, A&E.

2           5.       On or around March 5, 2018, one of RESPONDENT's property management clients  
3 ("Complainant") filed a complaint with the Division stating that RESPONDENT was hired to manage  
4 one of her properties in March of 2016.

5           6.       Complainant stated that her March 2016 monthly rental payment from RESPONDENT  
6 was returned by the bank due to insufficient funds.

7           7.       In February of 2017, another rental check due to Complainant by RESPONDENT was  
8 returned by the bank.

9           8.       On or around February 1, 2018, after Complainant had several issues with  
10 RESPONDENT's property management services, Complainant's property management agreement was  
11 terminated.

12          9.       Following the termination, RESPONDENT stated to Complainant that she had mailed  
13 Complainant's tenant's security deposit to the tenant.

14          10.      After neither Complainant nor her tenant received the security deposit, on February 19,  
15 2019, Complainant spoke with RESPONDENT who stated that the security deposit would be refunded  
16 within 30 days

17          11.      Neither Complainant, nor the tenant, received the security deposit within the 30-day  
18 period, leading Complainant to file her complaint with the Division.

19          12.      On or around March 8, 2018, the Division properly notified RESPONDENT it was  
20 opening an investigation against her based on the complaint received, requested a response, and also  
21 requested the following: 1) a copy of the complete transaction file for Complainant's property, (2) a  
22 copy of any and all management agreements from May 2017 through November of 2017, (3) a copy of  
23 any and all residential lease agreements from May 2017 through November of 2017, and (4) a copy of  
24 RESPONDENT's 2017 trust account reconciliation ("Requested Documents").

25          13.      After not receiving a response or the Requested Documents, on April 30, 2018, the  
26 Division again requested both.

27      ...

28      ...

1 14. On or around March 29, 2018, RESPONDENT responded to the Division's investigation.

2 15. RESPONDENT stated in part, that as of February 28, 2018, A & E did not hold any funds,  
3 that Complainant's complaint had no merit, that the bounced checks were caused by her bank's errors,  
4 that the tenant's security deposit was released in June 2016, and that her company did not hold  
5 owner/tenant deposits in its accounts.

6 16. Despite claiming to the Division that she no longer held security deposits,  
7 RESPONDENT's lease agreements showed that RESPONDENT collected and held Complainant's  
8 security deposit on or about June 1, 2017, and failed to return it until March 29, 2018.

9 17. Documents obtained during the Division's investigation also showed that contrary to  
10 RESPONDENT's representations to the Division that she did not hold security deposits, she had been  
11 holding deposits since August 1, 2015, beginning with a property located at 5132 Pebble Beach Blvd.  
12 Apt. #C, Las Vegas, Nevada ("Pebble Beach Lease").

13 18. Respondent was also unable to provide the Division with the duties owed form signed in  
14 connection with the management of the Pebble Beach property.

15 19. On or about October 17, 2017, RESPONDENT submitted her 2017 Trust Account  
16 Reconciliation statement to the Division, claiming that she did not hold security deposits.

17 20. However, RESPONDENT was collecting security deposits from August of 2015 through  
18 February of 2018, but for three years failed to provide an accounting of those trust account deposits to  
19 the Division on the required form.

20 21. RESPONDENT further failed to notify the Division regarding the location of her records.

21 22. As part of the Division's investigation, it also acquired A&E's bank records from Nevada  
22 State Bank.

23 23. RESPONDENT is the sole signatory on A&E's bank signature cards.

24 24. A & E's security deposit trust account ends in 7647 ("Security Deposit Account").

25 25. Even though RESPONDENT collected deposits from tenants, those deposits were never  
26 placed in the Security Deposit Account.

27 26. A & E also has an operational trust account ending in 7662 ("Trust Account").

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1 27. A & E has one business checking account ending in 7464 ("First Business Checking  
2 Account"), one ending in 3579 ("Second Business Checking Account"), and another business checking  
3 account ending in 3587 ("Third Business Checking Account") (collectively the "Business Checking  
4 Accounts").

5 28. The bank records showed that RESPONDENT routinely and improperly transferred  
6 money from A & E's Trust Account to its Business Accounts in excess of any amount RESPONDENT  
7 was entitled to for her monthly property management fees.

8 29. Based on the lease agreements provided to the Division by RESPONDENT during the  
9 Division's investigation, RESPONDENT's monthly property management fees totaled approximately  
10 \$4,941.00.

11 30. Despite RESPONDENT's approximate monthly property management fee of \$4,941.00,  
12 RESPONDENT transferred approximately the following amounts from A & E's Trust Account to the  
13 First Business Account during the months below:

14 February 2017: \$11,500.00

15 May 2017: \$15,800.00

16 June 2017: \$9,700.00

17 July 2017: \$9,450.00

18 August 2017: \$9,600.00

19 September 2017: \$7,000.00

20 October 2017: \$5,200.00

21 November 2017: \$24,350.00

22 31. In addition to the amounts set forth in Paragraph 31, RESPONDENT also transferred the  
23 following amounts from A & E's Trust Account to the Second Business Account during the months  
24 below:

25 February 2017: \$2,800.00

26 May 2017: \$200.00

27 June 2017: \$300.00

28 July 2017: \$250.00

1 August 2017: \$500.08

2 October 2017: \$600.00

3 November 2017: \$400.00

4 32. RESPONDENT also improperly transferred money from the Business Checking Accounts  
5 to the Trust Account on several occasions, including an amount of \$10,000 in August 2017 from the First  
6 Business Checking Account, \$12,300 from the Third Business Checking Account in October of 2017,  
7 \$27,700.00 from the Third Business Checking Account in November of 2017.

8 33. The bank records further showed that RESPONDENT improperly paid fees to the Greater  
9 Las Vegas Association of Realtors from the Trust Account.

10 34. The bank records showed that RESPONDENT commingled the money of property  
11 management clients with her own money and converted that money for her own personal use.

12 35. For example, in November of 2017, RESPONDENT made purchases with money from  
13 the Trust Account at stores such as Marshalls, Bed Bath and Beyond, Ross, and Allure Nails.

14 36. On or around June 5, 2019, RESPONDENT was properly notified by the Division that it  
15 was bringing a complaint for disciplinary action before the Commission.

#### 16 VIOLATIONS OF LAW

17 RESPONDENT committed the following violations of law:

18 1. RESPONDENT violated NRS 645.630(1)(f) by failing, within a reasonable time, to  
19 account for or to remit any money which comes into her possession, and which belongs to others, by  
20 collecting Complainant's security deposit on or about June 1, 2017 but failing to return it until on or  
21 about March 29, 2018.

22 2. RESPONDENT violated NAC 645.637 by failing to provide the duties form setting forth  
23 the duties owed by the licensee prior to signing the residential management agreement for the Pebble  
24 Beach property.

25 3. RESPONDENT violated NRS 645.633(1)(i) by engaging in conduct that was deceitful,  
26 fraudulent, or dishonest by making a false statement in her response to the Division, claiming that she  
27 did not hold security deposits when she had been doing so since August 1, 2015, beginning with the  
28 Pebble Beach property.

1 4. RESPONDENT violated NAC 645.655, by failing to keep records of her security  
2 deposit trust account transactions, by failing to give written notice to the Division of the location of her  
3 records, and by failing to reconcile her security deposit accounts since 2015 within 30 days of receiving  
4 her bank statements.

5 5. RESPONDENT violated NAC 645.806 (1) on three occasions by failing to provide the  
6 Division trust account reconciliations for three years despite holding security deposits from August 2015  
7 through February of 2018.

8 6. RESPONDENT violated NAC 645.806(2) on three occasions by failing to submit her security  
9 deposit trust account reconciliations to the Division annually by the expiration date of her broker's  
10 license.

11 7. RESPONDENT violated NRS 645.630(1)(h) on multiple occasions by transferring money  
12 from the Trust Account for several months to her Business Accounts in excess of her monthly property  
13 management fees, thus commingling the funds.

14 8. RESPONDENT violated NRS 645.630(1)(h) on multiple occasions by comingling the Trust  
15 Account with the Business Checking Accounts.

16 9. RESPONDENT violated NRS 645.630(1)(h) by comingling the money of clients with her  
17 own and/or converting the money of others to his or her own use by using Trust Account money for  
18 personal purchases.

19 **DISCIPLINE AUTHORIZED**

20 1. Pursuant to NRS 645.630 and NRS 645.633, the Commission is empowered to impose an  
21 administrative fine of up to \$10,000 per violation against RESPONDENT and further to suspend, revoke  
22 or place conditions on the license of RESPONDENT.

23 2. Additionally, under NRS Chapter 622, the Commission is authorized to impose costs of the  
24 proceeding upon RESPONDENT, including investigative costs and attorney's fees, if the Commission  
25 otherwise imposes discipline on RESPONDENT.

26 3. Therefore, the Division requests that the Commission take such disciplinary action as it deems  
27 appropriate under the circumstances.

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1 **NOTICE OF HEARING**

2 **PLEASE TAKE NOTICE**, that a disciplinary hearing has been set to consider the  
3 Administrative Complaint against the above-named Respondent in accordance with Chapters 233B and  
4 645 of the Nevada Revised Statutes and Chapter 645 of the Nevada Administrative Code.

5 **THE HEARING WILL TAKE PLACE** on December 14, 2021, commencing at 9:00 a.m.,  
6 or as soon thereafter as the Commission is able to hear the matter, and each day thereafter  
7 commencing at 9:00 a.m. through December 16, 2021, or earlier if the business of the Commission  
8 is concluded. The Commission meeting will be held on December 14, 2021, at the Nevada State  
9 Business Center, 3300 West Sahara Avenue, 4<sup>th</sup> Floor – Nevada Room, Las Vegas, Nevada 89102.  
10 The meeting will continue on December 15, 2021, at the Nevada State Business Center, 3300 West  
11 Sahara Avenue, 4<sup>th</sup> Floor – Nevada Room, Las Vegas, Nevada 89102, commencing at 9:00 a.m.,  
12 and on December 16, 2021, should business not be concluded, starting at 9:00 a.m. at the Nevada  
13 State Business Center, 3300 West Sahara Avenue, 4<sup>th</sup> Floor – Tahoe Room, Las Vegas, Nevada  
14 89102

15 **STACKED CALENDAR:** Your hearing is one of several hearings scheduled at the same  
16 time as part of a regular meeting of the Commission that is expected to last from December 14,  
17 2021, through December 16, 2021, or earlier if the business of the Commission is concluded. Thus,  
18 your hearing may be continued until later in the day or from day to day. It is your responsibility  
19 to be present when your case is called. If you are not present when your hearing is called, a default  
20 may be entered against you and the Commission may decide the case as if all allegations in the  
21 complaint were true. If you have any questions please call Evelyn Pattee, Commission Coordinator  
22 (702) 486-4074.

23 **YOUR RIGHTS AT THE HEARING:** except as mentioned below, the hearing is an open meeting  
24 under Nevada’s open meeting law and may be attended by the public. After the evidence and arguments,  
25 the commission may conduct a closed meeting to discuss your alleged misconduct or professional  
26 competence. You are entitled to a copy of the transcript of the open and closed portions of the meeting,  
27 although you must pay for the transcription.

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1 As the RESPONDENT, you are specifically informed that you have the right to appear and be  
2 heard in your defense, either personally or through your counsel of choice. At the hearing, the Division  
3 has the burden of proving the allegations in the complaint and will call witnesses and present evidence  
4 against you. You have the right to respond and to present relevant evidence and argument on all issues  
5 involved.

6 You have the right to call and examine witnesses, introduce exhibits, and cross-examine opposing  
7 witnesses on any matter relevant to the issues involved.

8 You have the right to request that the Commission issue subpoenas to compel witnesses to testify  
9 and/or evidence to be offered on your behalf. In making the request, you may be required to demonstrate  
10 the relevance of the witness' testimony and/or evidence. Other important rights you have are listed in  
11 NRS 645.680 through 645.990, NRS Chapter 233B, and NAC 645.810 through 645.920.

12 The purpose of the hearing is to determine if the Respondent has violated NRS 645 and/or NAC  
13 645 and if the allegations contained herein are substantially proven by the evidence presented and  
14 to further determine what administrative penalty is to be assessed against the RESPONDENT, if any,  
15 pursuant to NRS 645.235, 645.633 and or 645.630.

16 DATED this 9 day of November, 2021.

17 State of Nevada  
18 Department of Business and Industry  
19 Real Estate Division

20 By:   
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